IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE C.N.RAMACHANDRAN NAIR

FRIDAY, THE 12TH JANUARY 2007 / 22ND PAUSHA 1928

WP(C).No. 940 of 2007(J)

PETITIONER:

P.K.SEBASTIAN,
MANAGING PARTNER, M/S. HOSEA RIGID PVC PIPES,
PONNURUKKIPPARA, VAYAD, PARIYARAM.

BY ADV. SRI.M.RAMESH CHANDER

RESPONDENTS:

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1. STATE OF KERALA, REPRESENTED BY
CHIEF SECRETARY, TRIVANDRUM.

2. THE PRINCIPAL SECRETARY TO GOVT.,
INDUSTRIES DEPARTMENT, TRIVANDRUM.

3. THE DISTRICT COLLECTOR,
KANNUR.

4. THE GENERAL MANAGER,
DISTRICT INDUSTRIES CENTRE, KANNUR.

5. THE MANAGER,
KERALA FINANCIAL CORPORATION, KANNUR.

BY STANDING COUNSEL SRI.U.B.UNNIRAJ

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 12/01/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

C.N.RAMACHANDRAN NAIR, J.

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W.P.(C)NO.940 OF 2007

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Dated this the 12th day of January 2007

JUDGMENT

Heard counsel for the petitioner and the Standing Counsel for KFC.

2. Eventhough default is admitted, counsel for petitioner submitted that unit was closed for sometime and it started functioning only a month back. Loan period is up to 2008. Prayer in the writ petition is for permitting petitioner to avail full loan period for repayment of arrears. Counsel for KFC submitted that accrued arrears on two loans is Rs.15,39,000/-. Counsel undertakes that petitioner will pay Rs.2.5 lakhs in six weeks and further undertakes to clear the arrears in terms of reschedule to be granted by KFC. Since the counsel for KFC submitted that there is dispute between petitioner and the guarantor, it is open to the KFC to impose fresh conditions for rescheduling of loan, if security is inadequate.

3. Writ petition is accordingly disposed of with a direction to KFC to withhold proceedings to take over petitioner's unit and other recovery proceedings for six weeks from now.

If petitioner remits Rs.2.5 lakhs in six weeks, KFC will reschedule the loan after discussion with the petitioner and grant facility subject to such terms, if it feels fit to secure payment. If payment is not made in six weeks, then there will be a direction to petitioner to hand over the unit and the collateral security free of possession and failing which KFC can move this court for contempt because time is granted based on undertaking.

Writ petition is disposed of.

C.N.RAMACHANDRAN NAIR, JUDGE

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